

# NORTHERN FUNDS

## NORTHERN ENGAGE360™ FUND (NENGX)

As of 12/31/19

### FUND COMMENTARY

The MSCI All Country World Index (ACWI) posted a positive gain for the fourth quarter, appreciating by 8.95%. The U.S. stock market, as measured by the S&P 500 index, continued its strong streak, posting a 9.07% gain in the fourth quarter and closed out its largest calendar year gain since 2013, appreciating 31.49% in 2019. International developed markets, as measured by the MSCI EAFE Index, rose 8.17% during the quarter, with Japan and the U.K. markets as the largest contributors. Emerging markets outpaced international developed markets in the quarter, as the MSCI Emerging Markets Index appreciated 11.84%. China had the largest contribution to the index climbing 14.71% in the quarter.

The Fund underperformed its benchmark, the MSCI ACWI Index, in the fourth quarter appreciating 7.45% compared to 8.95%, respectively. Stock selection had a negative impact on performance in comparison to the Fund's benchmark from both a sector and regional perspective. Selection was weakest in the Fund's information technology positions as well as its U.S. holdings. Conversely, the Fund's holdings within the industrials sectors added to performance in the fourth quarter. Factor exposure also detracted from performance as the benefit of the Fund's higher U.S. volatility exposure was unable to outweigh the negative impact of the Fund's smaller cap U.S. exposure.

Sub-adviser ARK added to the Fund's excess returns in the fourth quarter. ARK manages a global equity strategy focusing on disruptive innovation and benefitted from its consumer discretionary holdings. Although producing positive absolute returns in the quarter, sub-advisers Aristotle, Ariel, Strategic Global, Mar Vista, EARNEST Partners, and Segall Bryant & Hamill detracted from excess returns.

**Please carefully read the summary prospectus or prospectus and consider the investment objectives, risks, charges and expenses of Northern Funds before investing. Call 800-595-9111 to obtain a summary prospectus or prospectus, which contains this and other information about the funds.**

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Performance as of 12/31/19				Annualized Returns					
FUND	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception*	Gross Expense Ratio	Net Expense Ratio
Northern Engage360™ Fund	7.45%	25.64%	25.64%	N/A	N/A	N/A	6.10%	0.83%	0.71%
MSCI ACWI Index	8.95%	26.60%	26.60%	N/A	N/A	N/A	8.37%		

\*Inception Date- 11/20/17

**Performance quoted represents past performance and does not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown here. Performance data current to the most recent month end is available by calling 800-595-9111.**

The Gross and Net Expense Ratios are as of the most recent prospectus. The Net Expense Ratio includes contractual expense reimbursements that, if not extended, will end on July 31, 2020.

Not FDIC insured | May lose value | No bank guarantee

Please remember that all investments carry some level of risk, including the potential loss of principal invested. They do not typically grow at an even rate of return and may experience negative growth. As with any type of portfolio structuring, attempting to reduce risk and increase return could, at certain times, unintentionally reduce returns.

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